



JOSEPH KELLY
TREASURER AND TAX COLLECTOR

**COUNTY OF LOS ANGELES
TREASURER AND TAX COLLECTOR**

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December 01, 2015

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

20 December 1, 2015

Patrick Ogawa
PATRICK OGAWA
ACTING EXECUTIVE OFFICER

**TREASURER AND TAX COLLECTOR
APPROVAL OF AMENDMENT THREE TO SOLE SOURCE
CONTRACT NUMBER 76582 WITH COLUMBIA ULTIMATE, INC. FOR
CONTINUATION OF LICENSING, MAINTENANCE AND SUPPORT SERVICES
(ALL DISTRICTS - 3 VOTES)**

**CIO RECOMMENDATION: APPROVE (X) APPROVE WITH MODIFICATION ()
DISAPPROVE ()**

SUBJECT

The Treasurer and Tax Collector (TTC) is requesting approval of Amendment Number Three (Amendment) to Contract Number 76582 (Contract) with Columbia Ultimate, Inc. (Columbia Ultimate) to extend the current term of the Contract to provide licensing, maintenance, support, and professional services for the Collections and Accounts Receivable System (CARS) on a month-to-month basis for a period not to exceed nine months in order for the TTC to conclude the competitive solicitation process for a replacement system and implement that system.

IT IS RECOMMENDED THAT THE BOARD:

1. Approve and sign the attached Amendment to the Contract with Columbia Ultimate to extend the Contract Term through September 30, 2016, on a month to month basis for Columbia Ultimate to provide licensing, maintenance, support, and professional services, with a maximum Contract amendment sum not to exceed \$75,751, commencing on January 1, 2016.
2. Delegate authority to the Treasurer and Tax Collector, or his designee, to terminate the Contract in accordance with its terms by providing notice of non-renewal to the Contractor before the expiration

of any monthly period.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The software licensing and services agreement is required for the licensing, professional services, and the ongoing support and maintenance of Columbia Ultimate's proprietary software application, Revenue Plus Collection System, utilized and identified by the TTC and the Probation Department as CARS. The system uploads collection referrals in an automated manner from County departments. On an annual basis, the TTC collects approximately \$26.5 million and adds approximately 91,000 new accounts to the system.

On June 4, 2008, your Board approved a Sole Source Contract with Columbia Ultimate to provide continued licensing, professional services, and ongoing maintenance and support. This Contract expires on December 31, 2015. The TTC released a Request for Proposals (RFP) for a competitive solicitation in July 2015 to replace the system. Additional time is necessary for the TTC to conclude the competitive solicitation process and implement a replacement system.

Implementation of Strategic Plan Goals

The approval of this Amendment is consistent with the Strategic Plan Goal of Operational Effectiveness/Fiscal Sustainability. The recommended Amendment provides for continued licensing, professional services, and ongoing maintenance and support.

FISCAL IMPACT/FINANCING

The maximum sum for the Amendment is \$75,751. The total annual maintenance and support amount of \$98,000 is included in the Fiscal Year (FY) 2015-16 budget which includes the first six month's funding for the extension period January 1, 2016, through June 30, 2016. The funding for July 1, 2016, through September 30, 2016, will be requested in the FY 2016-17 proposed budget.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Pursuant to Government Code 31000, the Board is authorized to contract for special services.

On June 4, 2008, your Board approved Contract Number 76582 with Columbia Ultimate to provide continued licensing, professional services, and ongoing maintenance and support to commence on July 1, 2008. Pursuant to the delegated authority approved by your Board, the TTC subsequently extended the Contract for two one-year terms from July 2, 2013, through July 1, 2015, and then extended the Contract for six month-to-month extensions from July 2, 2015, through December 31, 2015.

The recommended Amendment (Attachment II) also updates the Contract to add certain new and updated terms related to background investigations, GAIN/GROW hiring, insurance cancellation, and Time Off for Voting. The TTC has completed the Sole Source checklist (Attachment III) as required. The Chief Information Office (CIO) concurs with the TTC's recommendations and the CIO Analysis is attached as Attachment I. The Amendment has been reviewed and approved as to form by County Counsel.

CONTRACTING PROCESS

Approval of the Board letter to extend the term of the Contract, which will expire on December 31, 2015, will allow the continuation of services until the competitive solicitation process concludes. Upon implementation of services by the awarded contractor, the TTC will terminate the existing Contract.

On September 3, 2015, the TTC briefed its intent to negotiate this Sole Source Contract (Attachment IV) at the Operations Cluster meeting. Subsequently the TTC formally advised your Board, in accordance with the revised Board Policy No. 5.100, Sole Source Contracts.

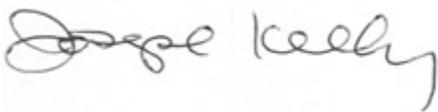
IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the Amendment will provide continued licensing, professional services, and ongoing maintenance and support for the TTC until the implementation of a replacement system on or before September 30, 2016.

CONCLUSION

Instruct the Acting Executive Officer-Clerk of the Board to return one signed copy of the Amendment Number Three and one adopted stamped Board letter to the TTC.

Respectfully submitted,



Joseph Kelly
Treasurer and Tax Collector

JK:KK:EVT
MVA:KAG:ca

Enclosures

c: Chief Executive Officer
Interim County Counsel
Acting Executive Officer, Board of Supervisors
Chief Information Officer

Reviewed by:


RICHARD SANCHEZ
Chief Information Officer



RICHARD SANCHEZ
CHIEF INFORMATION OFFICER

Office of the CIO
CIO Analysis

NUMBER:

CA 15-21

DATE:

11/13/2015

SUBJECT:

APPROVAL OF AMENDMENT THREE TO SOLE SOURCE CONTRACT NUMBER 76582 WITH COLUMBIA ULTIMATE, INC. FOR CONTINUATION OF LICENSING, MAINTENANCE AND SUPPORT SERVICES

RECOMMENDATION:

Approve Approve with Modification Disapprove

CONTRACT TYPE:

New Contract Sole Source
 Amendment to Contract #: 76582 Other: Describe contract type.

CONTRACT COMPONENTS:

Software Hardware
 Telecommunications Professional Services

SUMMARY:

Department Executive Sponsor: Joseph Kelly, Treasurer and Tax Collector

Description: The Treasurer and Tax Collector (TTC) is requesting approval of Amendment Number Three to an existing Sole Source Contract No. 76582 with Columbia Ultimate Inc. (Columbia Ultimate) to: 1) extend the Contract term through September 30, 2016 on a month-to-month basis with a maximum Contract amendment sum not to exceed \$75,751; and 2) delegate authority to the Treasurer and Tax Collector or his designee to terminate the Contract in accordance with its terms.

Contract Amount: \$75,751

Funding Source: TTC 2015-16 & 2016-17 Budget

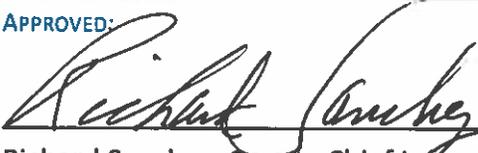
 Legislative or Regulatory Mandate Subvended/Grant Funded: Enter %

***Strategic and
Business Analysis***

PROJECT GOALS AND OBJECTIVES:

This Amendment will extend licensing, professional services, and ongoing support and maintenance of Columbia Ultimate's Revenue Plus Collection System, referred to as Collections and Accounts Receivable System (CARS). This extension is necessary so that TTC can complete the solicitation process for a system replacement, negotiate and receive approval for a new contract, and implement a replacement system.

	<p>BUSINESS DRIVERS:</p> <p>CARS provides TTC prioritized, simplified and automated collections on delinquent accounts for County departments. On an annual basis, the TTC collects approximately \$26.5 million and adds approximately 91,000 new accounts to the system.</p> <p>The current Contract expires on December 31, 2015. The primary business drivers for this Amendment is to avoid disruption of current collection services, and to allow sufficient times to evaluate, acquire, and implement a system replacement. TTC notified the Board on its intent to negotiate this Sole Source Contract in a memorandum dated September 3, 2015.</p> <hr/> <p>PROJECT ORGANIZATION:</p> <p>The Contract is managed by TTC’s Information Technology (IT) organization under the direction of Ron Moskowitz, Chief Information Officer.</p> <hr/> <p>PERFORMANCE METRICS:</p> <p>The Contract identifies specific vendor performance requirements and remedies for non-compliance.</p> <hr/> <p>STRATEGIC AND BUSINESS ALIGNMENT:</p> <p>The Contract Amendment supports County’s Strategic Plan Goal 1, Organizational Effectiveness and Goal 2, Fiscal Sustainability.</p> <hr/> <p>PROJECT APPROACH:</p> <p>This Amendment provides continued maintenance and support. The terms and service levels for ongoing maintenance and support remain unchanged.</p> <hr/> <p>ALTERNATIVES ANALYZED:</p> <p>TTC is pursuing a solicitation for a replacement system. The proposed Amendment provides sufficient coverage for TTC to complete the solicitation, acquire, and implement a replacement system.</p>
<p>Technical Analysis</p>	<p>ANALYSIS OF PROPOSED IT SOLUTION:</p> <p>The legacy CARS is hosted at ISD’s Downey Data Center and has been in production for 18 years, with the last major upgrade in 2011.</p> <p>The replacement system, using more modern technology, should reduce the need for manual intervention in the overall process, improving accuracy and efficiency.</p>

<p>Financial Analysis</p>	<p>BUDGET:</p> <p>Contract costs</p> <p>One-time costs:</p> <p> Software..... \$ 14,729(1)</p> <p> Services \$ 61,022(2)</p> <p>Total one-time costs: \$ 75,751</p> <p>Notes:</p> <p>(1)Prorated 9-month subscription for application software licenses.</p> <p>(2)Prorated 9-month application software and 3rd party software maintenance and support services.</p>
<p>Risk Analysis</p>	<p>RISK MITIGATION:</p> <ol style="list-style-type: none"> 1. There is minimal risk associated with this Amendment. TTC has been using Columbia Ultimate for maintenance and support services since June 2003. 2. Chief Information Security Officer (CISO) has reviewed the Agreement/Amendment/Contract and did not identify any IT security or privacy related issues.
<p>CIO Approval</p>	<p>PREPARED BY:</p> <p> _____ Greg Melendez, Sr. Associate CIO</p> <p style="text-align: right;"><u>11/18/15</u> Date</p> <hr/> <p>APPROVED:</p> <p> _____ Richard Sanchez, County Chief Information Officer</p> <p style="text-align: right;"><u>11-18-15</u> Date</p>

Please contact the Office of the CIO 213.253.5600 or info@cio.lacounty.gov for questions concerning this CIO Analysis. This document is also available online at <http://ciointranet.lacounty.gov/>

**AMENDMENT NUMBER THREE
TO CONTRACT NUMBER 76582 FOR
DEBT COLLECTION SOFTWARE AND RELATED SERVICES**

This Amendment Number Three, dated as of December 1, 2015, (together with all Exhibits, Schedules, and Attachments hereto, Amendment Number Three) to Contract Number 76582 (as defined below) is entered into by and between the County of Los Angeles (County) and Columbia Ultimate, Inc. (Contractor) to provide license, maintenance, support, and professional services (collectively, Services) based on the following recitals:

WHEREAS, the County and Contractor have entered into that certain Contract Number 76582, dated as of June 4, 2008, (together with all Exhibits, Schedules, and Attachments thereto, all as amended from time to time, Contract) for the Collections and Accounts Receivable System (CARS);

WHEREAS, the County has exercised all renewal options and the Contract is currently set to expire on December 31, 2015;

WHEREAS, the County and Contractor desire to extend the Contract on a month-to-month basis for a period not to exceed a total of nine months;

WHEREAS, the Contractor is willing to continue to provide the Services, under the Contract's existing terms and conditions, during the period as extended under this Amendment Number Three;

WHEREAS, the County and Contractor desire to amend the Contract to extend the current term of the Contract for continued Services and access to the CARS, and to make such other changes described herein, all as further described in, and subject to the terms and conditions of this Amendment Number Three;

NOW, THEREFORE, in consideration of the foregoing recitals, all of which are incorporated as part of this Amendment Number Three, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, County and Contractor hereby agree as follows:

1. Amendment Number Three Effective Date. This Amendment Number Three shall be effective when it has been executed by an authorized officer of the Contractor and has been approved by the County's Board of Supervisors (Board).
2. Paragraph 4.0 (Term of Contract). Amend the Contract to delete Subparagraphs 4.1 and 4.2 in their entirety and replace as follows:

4.0 TERM OF CONTRACT

- 4.1 This Contract shall commence on July 1, 2008, and expire on December 31, 2015. Thereafter, at the County's sole discretion, the Contract may renew for nine additional one-month periods, with a final expiration date of September 30, 2016.

- 4.2 The foregoing month-to-month extensions shall occur automatically without the need for further action from the County, unless the County provides written notice of non-renewal at least ten days before the last day of the then current monthly period, in which case this Contract shall expire as of midnight on the last day of that month. The term of this Contract may sooner terminate in accordance with the terms of this Contract.

The County maintains databases that track/monitor Contractor's performance history. Information entered into such databases may be used for a variety of purposes, including determining whether the County will exercise a Contract Term extension option.

3. Subparagraph 7.5.1 (Background and Security Investigations). Amend the Contract to delete and restate Subparagraph 7.5.1 (Background and Security Investigations) in its entirety as follows:

7.5.1 Each of Contractor's staff performing services under this Contract who is in a designated sensitive position, as determined by the County in the County's sole discretion, shall be required to undergo and pass a background investigation to the satisfaction of the County as a condition of beginning and continuing to perform services under this Contract. Such background investigation must be obtained through fingerprints submitted to the California Department of Justice to include state, local, and federal-level review, which may include, but shall not be limited to, criminal conviction information. The fees associated with the background investigation shall be at the expense of the Contractor, regardless if the member of Contractor's staff passes or fails the background investigation.

4. Subparagraph 8.11 (Consideration of Hiring GAIN/GROW Program Participants). Amend the Contract to delete and restate Subparagraph 8.11.1 (Consideration of Hiring GAIN/GROW Program Participants) in its entirety as follows:

8.11 CONSIDERATION OF HIRING GAIN/GROW PARTICIPANTS

8.11.1 Should the Contractor require additional or replacement personnel after the effective date of this Contract, the Contractor shall give consideration for any such employment openings to participants in the County's Department of Public Social Services Greater Avenues for Independence (GAIN) Program or General Relief Opportunity for Work (GROW) Program who meet the Contractor's minimum qualifications for the open position. For this purpose, consideration shall mean that the Contractor will interview qualified candidates. The County will refer GAIN/GROW participants by job category to the Contractor. Contractors shall report all job openings with job requirements to: GAINGROW@dpss.lacounty.gov to obtain a list of qualified GAIN/GROW job candidates.

5. Subparagraph 8.23 (Indemnification). Amend the Contract to delete and restate Subparagraph 8.23 (Indemnification) in its entirety as follows:
 - 8.23 The Contractor shall indemnify, defend, and hold harmless the County, its Special Districts, elected and appointed officers, employees, agents, and volunteers (“County Indemnitees”) from and against any and all liability including, but not limited to, demands, claims, actions, fees, costs, and expenses (including attorney and expert witness fees), arising from and/or relating to this Contract, except for such loss or damage arising from the sole negligence or willful misconduct of the County Indemnitees.

6. New Subparagraph 8.24.7(Cancellation of or Changes of Insurance). Amend the Contract to add new Subparagraph 8.24.7 (Cancellation of or Changes of Insurance) as follows:
 - 8.24.7 **Cancellation of or Changes in Insurance**

Contractor shall provide the County with, or Contractor’s insurance policies shall contain a provision that the County shall receive written notice of cancellation, or any change in required insurance, including insurer, limits of coverage, term of coverage, or policy period. The written notice shall be provided to the County at least ten days in advance of cancellation for non-payment of premium and 30 days in advance for any other cancellation or policy change. Failure to provide written notice of cancellation or any change in required insurance may constitute a material breach of the Contract, in the sole discretion of the County, upon which the County may suspend or terminate this Contract.

7. Subparagraph 8.26 (Intentionally Omitted). Amend the Contract to replace 8.26 (Intentionally Omitted) with new Subparagraph 8.26 (Time Off for Voting) as follows:
 - 8.26 **TIME OFF FOR VOTING**

To the extent applicable, the Contractor shall notify its employees, and shall require each subcontractor to notify and provide to its employees, information regarding the Time Off for Voting law (Elections Code Section 14000). Not less than ten days before every statewide election, every Contractor and subcontractor shall keep posted conspicuously at the place of work, if practicable, or elsewhere where it can be seen as employees come or go to their place of work, a notice setting forth the provisions of Elections Code Section 14000.

8. Exhibit A (Pricing Schedule) is supplemented by Schedule A to this Amendment Number Three which sets forth the monthly fees for the CARS and all Services during the extension period set forth in this Amendment Number Three.

IN WITNESS WHEREOF, the Board of the County has caused this Amendment Number Three to be subscribed by its Mayor and the seal of such Board to be affixed and attested by the Acting Executive Officer, and Contractor has caused this Amendment Number Three to be subscribed on its behalf by its duly authorized officers, as of the Amendment Number Three Effective Date.

I hereby certify that pursuant to Section 25103 of the Government Code, delivery of this document has been made.

PATRICK OGAWA
Acting Executive Officer
Clerk of the Board of Supervisors

By *Patrick Ogawa*
Deputy



ATTEST:

PATRICK OGAWA
Acting Executive Officer
Board of Supervisors

By: *Patrick Ogawa*
Deputy

APPROVED AS TO FORM:

Mary C. Wickham
Interim County Counsel

By: *Mary C. Wickham*
Deputy County Counsel

COUNTY OF LOS ANGELES

By *Mike Antonovich*
Mayor, Board of Supervisors

CONTRACTOR

Columbia Ultimate, Inc.

By *Jim Adamson*
Signature
Jim Adamson
Print Name
CFO
Title

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

20

DEC 01 2015

Patrick Ogawa
PATRICK OGAWA
ACTING EXECUTIVE OFFICER

76582 Supplement No. 1



Software Support Module - Schedule A
Annual SILVER Support

for January 1, 2016 through September 30, 2016

				Fiscal 2016 - 9 Month Amount		
				Value	Annual	License
Qty	Description			Amount	Amount	Amount
78	RPCS Plus Licenses			\$315,735.00	\$28,560.00	\$12,693.00
84	CU-Emulate			\$32,760.00	\$4,029.00	
1	Client Access Logon			\$1,540.00	\$294.00	
1	CU*Transit – Data Pipeline for credit transmissions - \$150/month			\$0.00	\$1,350.00	
1	Account-Distribution/Payment Proration			\$21,000.00	\$3,166.00	\$844.00
1	Victim Restitution			\$19,400.00	\$2,925.00	\$777.00
1	Tax Intercept			\$4,200.00	\$633.00	\$174.00
1	California EDD Module			\$6,100.00	\$920.00	\$241.00
2	Test Logon Support (1 each TTC & Prob)	T&P			\$281.00	
1	Proj #12063 Monthly acct.actv. Report	Prob		\$5,000.00	\$450.00	
1	Proj #13179 Programming of AtX codes for special bills	Prob		\$3,000.00	\$270.00	
1	Proj #14592 DPSS Assignment	Prob		\$12,150.00	\$1,094.00	
1	Proj #17129 Probation changes	Prob		\$13,375.00	\$1,204.00	
1	Proj #18858 Modify "BA" record in "receive" interface	Prob		\$4,725.00	\$425.00	
1	Proj #19909 DPSS Leader Acknowledgement Report and file	Prob		\$2,970.00	\$267.00	
1	Proj #19910 DPSS Leader remit program to build a file	Prob		\$4,590.00	\$413.00	
	Add fields to DPSS food stamp confirmation pmt programs	Prob		\$2,486.00	\$224.00	
1	Proj #154145 Interface to New ECAPS System	TTC		\$13,916.00	\$1,253.00	
1	Proj #187540 Modify DPSS Interface for Claim begin and end	TTC		\$2,400.00	\$216.00	
1	Proj #178467 Modify USCB Forward Interface - Linebarger	TTC		\$9,450.00	\$851.00	
1	Proj #201490 Export Payment Upd and Adj to Linebarger	TTC		\$6,000.00	\$540.00	
1	Proj #214867 Enhance OCA Process	TTC		\$12,400.00	\$1,116.00	
1	Proj #243108 Probation Credit Card Payment Pr	Prob		\$12,800.00	\$1,152.00	
1	Proj #246424 Fire Department Collections Inte	TTC		\$7,680.00	\$691.00	
1	Proj #253856 Library Interfaces	TTC		\$7,520.00	\$677.00	
1	Proj #296460 Create DPSS Outbound Interface Files			\$4,800.00	\$432.00	
1	Proj #307381 eCommerce Expansion to CARS			\$4,800.00	\$375.00	
1	Proj #336493 Handle New Outside Collection Agencies			\$3,200.00	\$288.00	
1	RPCS Release Upgrade			\$0.00	\$0.00	
1	Proj#CA522013A Probation CU*Archive Module and Support CN15	Prob			\$326.00	
				\$533,997.00	\$54,422.00	\$14,729.00

SUB-TOTAL **\$69,151.00**

88 License UniVerse Support **\$6,600.00**

Fiscal - 9 months **2016 TOTAL** **\$75,751.00**

For the term of the contract 1/1/2016 - 9/30/2016 billing will be evenly divided for each month.

Amount to bill Monthly **\$8,417.00** 1/9 billing each month

Please note:

- ★ Any applicable taxes are not included.
- ★ Products and/or services purchased after receipt of this schedule will be added to the invoice.
- ★ Support for custom development is 12% of the programs value.

County of Los Angeles

Authorized Signature

By:
Print Name:
Title:
Date:

SOLE SOURCE CHECKLIST

Check (✓)	JUSTIFICATION FOR SOLE SOURCE CONTRACTS Identify applicable justification and provide documentation for each checked item.
	➤ Only one bona fide source (monopoly) for the service exists; performance and price competition are not available. Monopoly is an <i>"Exclusive control of the supply of any service in a given market. If more than one source in a given market exists, a monopoly does not exist."</i>
	➤ Compliance with applicable statutory and/or regulatory provisions.
	➤ Compliance with State and/or federal programmatic requirements.
	➤ Services provided by other public or County-related entities.
	➤ Services are needed to address an emergent or related time-sensitive need.
	➤ The service provider(s) is required under the provisions of a grant or regulatory requirement.
✓	➤ Additional services are needed to complete an ongoing task and it would be prohibitively costly in time and money to seek a new service provider.
	➤ Maintenance service agreements exist on equipment which must be serviced by the original equipment manufacturer or an authorized service representative.
✓	➤ It is more cost-effective to obtain services by exercising an option under an existing contract.
	➤ It is in the best economic interest of the County (e.g., significant costs to replace an existing system or infrastructure, administrative cost savings and excessive learning curve for a new service provider, etc.) In such cases, departments must demonstrate due diligence in qualifying the cost-savings or cost-avoidance associated with the best economic interest of the County.



Chief Executive Office



Date

SOLE SOURCE REQUEST QUESTIONNAIRE

It is the policy of the County to solicit the maximum number of bids/proposals for a commodity or service from the largest relevant market and to select vendors on a competitive basis.

There are certain acquisitions which, when in the best interest of the County, can only be obtained from a sole source. Sole source acquisitions must be justified in sufficient detail to explain the basis for suspending the usual competitive procurement process.

NOTE: Please refer to Procedure P-3700 of the ISD Purchasing Policies and Procedures Manual.

DOCUMENTATION FOR SOLE SOURCE JUSTIFICATION MUST INCLUDE RESPONSES TO THE FOLLOWING QUESTIONS:

1. What is being requested?

Sole Source Agreement extension with Columbia Ultimate, Inc. (Columbia Ultimate) for the continued maintenance and support, and professional services for debt collection software.

2. Why is the product needed – how will it be used?

The software licensing and services agreement (Agreement) is required for the licensing, professional services, and the on-going support and maintenance of Columbia Ultimate's proprietary software application, Revenue Plus Collection System, utilized and identified by the Treasurer and Tax Collector (TTC) and Probation Department (Probation) as the Collections and Accounts Receivable System (CARS). The system interfaces with the TTC's Outside Collection Agency and uploads collection referrals in an automated manner from County departments. On an annual basis, the TTC collects approximately \$26.5 million and adds approximately 91,000 new accounts to the system.

3. Is this “brand” of product the only one that meets the user’s requirements? If yes, what is unique about the product?

CARS is proprietary to Columbia Ultimate, Columbia Ultimate is the only vendor that can provide licensing, professional services and comprehensive maintenance and support services for this application. Without this application, the automated collection and reporting functions would be significantly disrupted and require labor intensive handling and processing of the extensive volume of accounts and data, which will create scheduling and transmittal backlogs impacting all users, agencies, and constituents and increase the potential for error.

4. Have other products/vendors been considered? If yes, which products/vendors have been considered and how did they fail to meet the user’s requirements?

A Request for Proposals (RFP) for a competitive solicitation was released on July 2, 2015, and staff is currently evaluating the proposals. The TTC is seeking a nine month, month-to-month extension of the Agreement to allow sufficient time to complete the solicitation and implement a new or updated collections system.

- 5. Will purchase of this product avoid other costs, e.g. data conversion, etc. or will it incur additional costs, e.g. training, conversion, etc?**

The total annual maintenance and support amount is included in the FY 2015/16 budget. Due to the Contract expiration date, Option Year 2 maintenance and support was only invoiced for the period of July 1, 2015 through December 31, 2015, in the amount of \$46,945. The funding for six months maintenance and support for the period of January 1, 2016 through June 30, 2016, remains in the FY 2015/16 budget. The funding amount for three additional option months (July 1, 2016 through September 30, 2016), if needed, will be requested in the FY 2016/17 budget.

- 6. Is the product proprietary or is it available from various dealers? Have you verified this?**

CARS is proprietary to Columbia Ultimate. Columbia Ultimate is the only vendor that can provide licensing, professional services, and comprehensive maintenance and support services for this application.

- 7. Reasonableness of Price. Does the County obtain a percentage discount or special discount not available to the private sector?**

Not Applicable. There is no discount that is applicable to this Agreement.

- 8. What is the dollar value of existing equipment and the Purchase Order No. for the existing equipment?**

The Agreement is for software only. The current cost for support is \$94,014 annually under Agreement number 76582.



JOSEPH KELLY
TREASURER AND TAX COLLECTOR

COUNTY OF LOS ANGELES TREASURER AND TAX COLLECTOR

KENNETH HAHN HALL OF ADMINISTRATION
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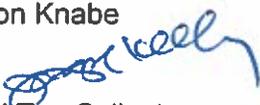


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September 3, 2015

TO: Supervisor Michael D. Antonovich, Mayor
Supervisor Hilda L. Solis
Supervisor Mark Ridley-Thomas
Supervisor Sheila Kuehl
Supervisor Don Knabe

FROM: Joseph Kelly 
Treasurer and Tax Collector

SUBJECT: **NOTICE OF INTENT TO NEGOTIATE A MONTH-TO-MONTH SOLE SOURCE EXTENSION, NOT TO EXCEED NINE MONTHS, FOR AGREEMENT NUMBER 76582, COLUMBIA ULTIMATE, INC. FOR CONTINUED MAINTENANCE AND SUPPORT OF THE COUNTY'S DEBT COLLECTION SOFTWARE**

Pursuant to the applicable provisions of Board Policy 5.100, Sole Source Contracts, this correspondence is to provide your Board with advance notification of our intent to enter Sole Source Contract extension negotiations with Columbia Ultimate, Inc. (Columbia Ultimate) for the continued maintenance and support of debt collection software. This extension is necessary so that we may complete the solicitation process and implement a replacement system.

BACKGROUND

The software licensing and services agreement (Agreement) is required for the licensing, professional services, and the on-going support and maintenance of Columbia Ultimate's proprietary software application, Revenue Plus Collection System, utilized and identified by the Treasurer and Tax Collector (TTC) and Probation Department (Probation) as the Collections and Accounts Receivable System (CARS). The system interfaces with the TTC's Outside Collection Agency and uploads collection referrals in an automated manner from County departments. On an annual basis, the TTC collects approximately \$26.5 million and adds approximately 91,000 new accounts to the system.

In 2008, the TTC sought and received approval from your Board for a Sole Source Contract with Columbia Ultimate. This Contract expires on December 31, 2015. We released a Request for Proposals (RFP) for a competitive solicitation on July 2, 2015, and staff is currently evaluating the proposals. The TTC is seeking to enter into discussions for a month-to-month extension of the Agreement to allow sufficient time to complete the solicitation and implement a new or updated collections system.

JUSTIFICATION

The month-to-month extension is necessary to avoid a disruption in current services, which includes, but is not limited to the following:

- 1) We will not be able to process debtor payments and implement our system of internal controls over collections.
- 2) We will not be able, as required by law, to submit certain accounts to the California Department of Social Services and California Franchise Tax Board for tax intercept.
- 3) The ability of Probation to perform their court ordered mandate of monitoring probationer payments of fines, fees, and victim restitution would be impacted.

While we are aware of the Board's action on August 4, 2015, to revise Board Policy No. 5.100, Sole Source Contracts, that action was prospective. The TTC released the RFP prior to this date. Accordingly, the notice requirements adopted on August 4, 2015, are not applicable in this circumstance. The TTC planned to complete the solicitation process and implement the new system by the expiration of the Agreement. However, upon further review of the system requirements and requests from the vendor community to extend the RFP deadline, the TTC has determined that it is in the best interest of the County to extend the Agreement.

CONCLUSION

Unless otherwise directed by your Board, within ten business days from the date of this notification, Friday, September 18, 2015, we will proceed with Sole Source Contract negotiations to extend the Agreement for a month-to-month Sole Source Contract extension not to exceed nine months in order to complete the solicitation process. If successful, we plan to bring an extension amendment to your Board in October 2015.

Should you have any questions or require additional information, please contact me directly or your staff may contact Keith Knox, Chief Deputy Treasurer and Tax Collector, of my staff at (213) 974-0703 or kknox@ttc.lacounty.gov.

JK:KK:RM:EVT:kg

CARS Notice of Intent 9-3-15 Final kk jk evt kg

c: Interim Chief Executive Officer
Acting Executive Officer, Board of Supervisors
Chief Probation Officer
Chief Information Officer
Interim County Counsel